

# Framework of measures for strengthening Europe's net-zero technology products manufacturing ecosystem (Net Zero Industry Act)

2023/0081(COD) - 28/06/2024 - Final act

**PURPOSE:** to establish a framework to ensure the Union's access to a secure and sustainable supply of net-zero technologies, including by scaling up the manufacturing capacity of net-zero technologies and their supply chains to safeguard their resilience while contributing to achieving the Union's climate targets and climate neutrality objective.

**LEGISLATIVE ACT:** Regulation (EU) 2024/1735 of the European Parliament and of the Council on establishing a framework of measures for strengthening Europe's net-zero technology manufacturing ecosystem and amending Regulation (EU) 2018/1724.

**CONTENT:** the regulation seeks to **boost the industrial deployment of net-zero technologies** that are needed to achieve the EU's climate goals. To achieve the general objective, this regulation lays down measures aiming to:

- **lower the risk of supply disruptions** related to net-zero technologies likely to distort competition and fragment the internal market, in particular by identifying and supporting the scale-up of the manufacturing capacity of net-zero technologies and their supply chains;
- establish a **Union market** for CO2 storage services;
- **encourage demand** for sustainable and resilient net-zero technologies through public procurement procedures, auctioning and other forms of public intervention;
- **enhance skills** through the support of the Academies, thereby safeguarding and creating quality jobs;
- support innovation through the creation of net-zero **regulatory sandboxes**, coordination of research and innovation activities through the Strategic Energy Technologies Plan Steering Group, as well as through the use of pre-commercial procurement and public procurement of innovative solutions;
- improve the Union's ability to monitor and mitigate supply risks related to net-zero technologies.

## **Benchmarks**

Progress towards the objectives of the net-zero industry act will be measured by two indicative benchmarks:

- firstly, manufacturing capacity of net-zero technologies, such as solar photovoltaic panels, wind turbines, batteries and heat pumps, reaching **40%** of the EU's deployment needs;
- secondly, a specific target for an increased Union share for these technologies with a view to reaching **15%** of world production by 2040.

## **Streamlining administrative and permit-granting processes**

By 30 December 2024 Member States will establish or designate one or more authorities as **single points of contact** at the relevant administrative level. Each single point of contact will be responsible for facilitating and coordinating the permit-granting process for net-zero technology manufacturing projects, including for net-zero strategic projects.

The permit-granting process for net-zero technology manufacturing projects will not exceed any of the following time limits: (a) **12 months** for the construction or expansion of net-zero technology manufacturing projects with a yearly manufacturing capacity of less than 1 GW; (b) **18 months** for the construction or expansion of net-zero technology manufacturing projects with a yearly manufacturing capacity of 1 GW or more.

The permit-granting process for net-zero technology manufacturing projects for which a yearly manufacturing capacity is not measured in GW, will not exceed a time limit of **18 months**.

**Net-zero strategic projects** will be considered to contribute to the security of supply of net-zero technologies in the Union and, therefore, to be in the public interest. Where a project is recognised as a net-zero strategic project, Member States will grant that net-zero strategic project the status of the highest national significance possible, where such a status exists in national law, and that net-zero strategic project will be treated accordingly in the permit-granting processes, including those relating to environmental assessments.

#### *Net-zero acceleration valleys*

The regulation promotes the development of net-zero acceleration valleys. The aim of these valleys is to create ‘net-zero’ clusters of industrial activity in order to increase the attractiveness of the Union as a location for production activities and to further streamline administrative procedures for setting up production capacities for ‘net-zero’ technologies.

#### *Access to markets*

The regulation facilitates market access for strategic technology products (in particular in public procurement or the auctioning of renewable energies).

#### *Union level objective of CO2 injection capacity*

An annual injection capacity of at least **50 million tonnes of CO2 will be achieved by 2030** in storage sites, meaning geological storage sites, located in the territory of the Union.

#### *Net-zero Europe Platform*

The regulation establishes the net-zero Europe Platform to better coordinate and create synergies between the existing funding programmes at Union and national level. Members of the Platform will coordinate the Net-Zero Industrial Partnerships within the Platform to help promote the adoption of net-zero technologies globally, to collaborate in the development of innovative net-zero technologies and to support the role of Union industrial capabilities in paving the way for the global clean energy transition.

ENTRY INTO FORCE AND APPLICATION: from 29.6.2024.